

## Message Text

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ORIGIN COME-00

INFO OCT-01 AF-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 /124 R

DRAFTED BY COM:BIEPR:OITP:TNAD:DGARDNER  
APPROVED BY EB/OT/TA:HKOPP  
COM:BIEPR:OITP:TNAD:DSCHLECHTY  
STR:WKELLY  
STATE:WTAGLIANI  
AGRICULTURE:RHARPER  
INTERIOR:HANDERSON  
ITC:JBOYD  
LABOR:TBENNETT  
DEFENSE:JDARLING

-----034645 061057Z /21

R 060025Z MAY 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA  
INFO AMEMBASSY PRETORIA

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USMTN FOR MTN GENEVA

E.O. 11652: N/A

TAGS: ETRD, MTN, SZ, SF

SUBJECT: ANALYSIS OF SOUTH AFRICA'S TARIFF REDUCTION OFFER  
ON INDUSTRIAL PRODUCTS

REF: GENEVA 5348  
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1. THE U.S. DEL SHOULD EXPRESS STRONG DISAPPOINTMENT WITH  
SOUTH AFRICA'S ALMOST TOTAL LACK OF RESPONSE TO THE U.S.  
REQUEST FOR TARIFF REDUCTIONS. FURTHER, ON THE ITEMS WHERE  
TARIFF REDUCTIONS ARE OFFERED BY SOUTH AFRICA THE REDUC-  
TIONS ARE VERY LIMITED AND THE PRODUCT SELECTION OF LITTLE  
INTEREST TO THE U.S.

2. THE U.S. DEL SHOULD STATE THAT THE U.S. CONSIDERS SA TO BE A DEVELOPED COUNTRY AND, SINCE SA IS NOT MAKING FORMULA REDUCTIONS, EXPECTS SA TO MAKE MEANINGFUL REDUCTIONS IN APPLIED DUTY RATES ON ITEMS OF INTEREST TO THE U.S. THE PRESENT SA OFFER IS TOTALLY UNACCEPTABLE.

3. THE U.S. DEL MAY STATE THAT IF SUBSEQUENT SA OFFERS ARE NOT MORE RESPONSIVE TO THE U.S. REQUEST, AND MORE SIGNIFICANT IN TERMS OF EFFECTIVE DUTY REDUCTIONS, THE U.S. MAY

FIND IT NECESSARY TO REEXAMINE ITS OFFERS ON ITEMS OF INTEREST TO SA.

4. THE U.S. MADE REQUESTS ON 67 INDUSTRIAL TARIFF LINE ITEMS AND SOUTH AFRICA RESPONDED WITH OFFERS ON 57 INDUSTRIAL ITEMS. HOWEVER, ONLY ONE (AND TO SOME EXTENT A SECOND) ITEM IS RESPONSIVE TO THE U.S. REQUEST LIST. ITEM 37.02.10 (CORRESPONDS TO SA EX 37.02) WAS OFFERED AT FREE (THE APPLIED RATE). A SECOND PARTIALLY RESPONSIVE OFFER IS ON U.S. REQUEST 82.02.60 (CORRESPONDS TO SA EX 82.02) WHERE SA OFFERS A REDUCTION FROM 18 PERCENT TO 15 PERCENT ON SAWS AND SAW BLADES. THE U.S. REQUEST WAS FOR A REDUCTION FROM 18 PERCENT TO 7.2 PERCENT ON BLADES FOR HAND OR PORTABLE SAWS. (THE APPLIED RATE ON THIS ITEM IS CURRENTLY 3 PERCENT, WITH A PREFERENTIAL RATE OF FREE). LIMITED OFFICIAL USE

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5. IN TERMS OF REDUCTIONS OF APPLIED TARIFF RATES THE SA OFFER CAN ONLY BE DESCRIBED AS UNSATISFACTORY. OFFERED BINDINGS ARE EITHER EQUAL TO OR GREATER THAN THE EXISTING APPLIED RATES UNLESS THE OFFER INVOLVES REDUCTION TO AN EXISTING PREFERENTIAL RATE. WHERE THE OFFER INVOLVES DUTY REDUCTION TO AN APPLIED PREFERENTIAL DUTY LEVEL THERE IS, WITH FOUR EXCEPTIONS (EX-ITEM 34.01, 40.10, 85.01(A), AND 86.03(A)), ONLY A 3 PERCENTAGE POINT DUTY REDUCTION INVOLVED. ON A NUMBER OF ITEMS THE OFFER RATE IS SIGNIFICANTLY HIGHER THAN THE APPLIED RATE (EX-ITEMS 42.02(A), 42.04(B), 48.04, 73.14, 73.15(B), 82.02, 85.19, AND 86.03(B)). IN SHORT, THE SA OFFER BEARS VIRTUALLY NO RELATIONSHIP TO U.S. REQUESTS AND IS MINIMAL IN TERMS OF MEANINGFUL REDUCTIONS OF APPLIED DUTY ON ALL ITEMS. ADDITIONALLY, MANY OF THE ITEMS ON THE SA LIST APPEAR TO BE SUBJECT TO SURCHARGES OR SALES DUTIES WHICH MAY OFFSET ANY BENEFITS ACHIEVED THROUGH LOWER TARIFFS.

6. FYI. THE U.S. PRESENTED ITS REQUEST ITEMS IN TERMS OF SOUTH AFRICAN TARIFF LINE ITEMS NUMBERS, I.E., FOUR, SIX, OR EIGHT DIGIT NUMBERS AS APPROPRIATE TO EACH SPECIFIC

LINE ITEM. SOUTH AFRICA, HOWEVER, PRESENTED ITS OFFER IN TERMS OF EX-OUTS OF FOUR DIGIT HEADINGS WHICH IS LESS EXACT AND MUCH MORE DIFFICULT TO WORK WITH AND ANALYZE. THE U.S. FEELS THAT IT WOULD BE LESS BURDENSOME FOR BOTH PARTIES TO PRESENT THE OFFERS AND REQUESTS AS EXPLICITLY AND STRAIGHT FORWARDLY AS POSSIBLE. THE U.S. DEL, AT ITS DISCRETION, MAY REQUEST THAT SOUTH AFRICA PRESENT FUTURE OFFER LISTS IN TERMS OF SOUTH AFRICAN TARIFF LINE ITEM NUMBERS OR EX-OUTS OF TARIFF LINE ITEM NUMBERS RATHER THAN AS EX-OUTS OF FOUR DIGIT HEADINGS. NOTE: THE SUFFIXES (A) OR (B) INDICATED IN THE ABOVE LISTED FOUR DIGIT TARIFF NUMBERS HAVE BEEN APPENDED BY WASHINGTON TO SPECIFY A

FIRST OR SECOND SUB-ITEM UNDER THAT FOUR DIGIT HEADING.  
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THE SA OFFER LIST DOES NOT NUMBER OR OTHERWISE DIFFERENTIATE THE INDIVIDUAL SUB-ITEMS. CHRISTOPHER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INDUSTRIAL PRODUCTION, TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Status:** NATIVE  
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**TAGS:** ETRD, SZ, SF, MTN  
**To:** GENEVA  
**Type:** TE  
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**Review Markings:**  
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